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A1.WASHINGTON POST
12 November 1986

2 White House Expected Release of More Captives In 1985 Iran Arms Deal

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The White House in September 1985 believed it had arranged the release of at least two and possibly all six American hostages held by a pro-Iranian terrorist group in Lebanon after permitting two plane-loads of arms to be shipped from Israel to Tehran, informed sources said yesterday.

But the subsequent freeing of only the Rev. Benjamin Weir on Sept. 14, 1985, was the first of several bitter disappointments suffered by President Reagan and his aides, the sources said. Although during the next 14 months the Iranians repeatedly promised more than they delivered, the White House was reluctant to believe that Tehran and the pro-Iranian Islamic Jihad group in Lebanon were dealing duplicitously, the sources added.

For four days after Weir's release, Reagan withheld the news in hopes that other hostages would be freed, according to one knowledgeable source. After his release, Weir was secretly taken to the U.S. naval base in Norfolk where he was questioned for up to 12 hours by U.S. military officers considering contingency plans for a possible mission to rescue the other hostages, sources said.

Such planning was eventually aborted because of concern that the hostages were being moved too frequently for U.S. forces to confidently launch a rescue attempt, the sources said.

The marathon debriefing session in Norfolk provoked an argument among U.S. officials on the scene and subsequently led to a more routine schedule for interviewing other hostages after their release.

Weir and five other hostages were held by the Islamic Jihad, which wanted to use the Americans to gain freedom for 17 terrorists imprisoned in Kuwait for two bombings there.

After Weir, two more of those hostages were released, reportedly after additional arms shipments

were made. The Rev. Lawrence Jenco was freed last July, and this was followed by the freeing of David P. Jacobsen on Nov. 2.

As in the past, the White House expected at least one more hostage to appear when Jacobsen was released, and was disappointed when that did not happen, sources said. Islamic Jihad may now be less responsive to Tehran because it has given up three of its hostages without getting anyone released from the Kuwaiti jails, the sources added.

One source familiar with the program said of the White House, "They were dealing with Iranians who have been known as tough bargainers for thousands of years." Another source added that during the past year, "only the White House knew the nature of the agreement" leading to the three hostage releases and that the White House often "speculated it would be for more than one person."

The program was initially run by then-national security affairs adviser Robert C. McFarlane, who continued to take an active role even after leaving the government, sources said.

One source said White House officials were warned by other administration officials that "once the program started, the Iranians would stretch it out for as long as they could." Every time the president or a White House spokesman said a hostage release "slipped through our fingers," they meant the Iranians had not lived up to their part of the deal, the source added.

McFarlane made his first direct comments on the episode in a four-page statement made available yesterday that emphasized Iran's "strategic importance" to the United States.

McFarlane said Iran is important to the United States because of its strategic position and that its revolution must be accepted by Washington. However, he added, the United States must remain "fundamentally opposed" to Tehran exporting revolution beyond its borders by "overt hostilities or the use of terrorism."

Although the White House program has permitted arms to go to Iran, contrary to the stated U.S. policy of embargoing weapons to Tehran, the administration has steadfastly refused to ask Kuwait to release the jailed terrorists.

Islamic Jihad is believed to still hold hostages Terry A. Anderson and Thomas Sutherland. The group said a year ago that it had killed U.S. diplomat William Buckley, but his body has never been found.

It was also learned yesterday that in response to a cash ransom demand, the United States earlier this year authorized middlemen to negotiate for the release of Peter Kilburn, a librarian at the American University in Beirut who was seized by gunmen in West Beirut in December 1984.

A U.S. official said Kilburn was picked up originally "by thugs," who carried out the kidnaping for the money rather than for a political cause.

Subsequent negotiations over money for Kilburn's release were never concluded, sources said, and it was unclear how serious the White House was about eventually paying to free the hostages.

Some officials believe that Kilburn was sold to a pro-Libyan group in early April when there were rumors that Washington planned to take some retaliatory action against Libyan leader Moammar Gadhafi for supporting terrorism.

After the U.S. bombing attack on Libya in mid-April, Kilburn and two British men were found dead and a pro-Libyan group claimed the execution was a reprisal.

Three additional American hostages have been seized in Beirut since September, and U.S. officials are not certain which groups are holding them. To date, no demands have been made for their release, sources said. Some U.S. officials believe that kidnapers of Americans are often apolitical Lebanese gangsters who sell their prisoners to groups such as Islamic Jihad.

In defending the covert arms-for-hostages program that also aimed to end Iranian support for terrorism, White House sources said that Islamic Jihad has not captured any Americans since the mid-1985 discussions began.

However, other U.S. officials critical of the program noted yesterday that someone claiming to be Islamic Jihad asserted responsibility for the kidnaping on Sept. 9 of Frank Reed.

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On Monday, a little-known group called the Revolutionary Justice Organization said it was holding Joseph James Cicippio, who was seized Sept. 12, and Edward Austin Tracy, who was taken Oct. 21. News reports have said that group receives Iranian support.

One concern raised by State and Defense Department officials was that the program could lead to the taking of additional hostages to keep the arms supplies coming.

John M. Poindexter, Reagan's national security affairs adviser, has begun briefing key members of Congress on the general outline of the plan.

Yesterday, an administration official took issue with a report in The Washington Post that Poindexter had told legislators that the White House made "a miscalculation on who it could trust in Iran."

The official said Poindexter in his discussion with members of Congress "did not concede miscalculation" and that he did not feel that way. The official said the contacts with legislators were initiated by Poindexter, who told them that no attempts were being made to circumvent Congress.

Meanwhile, McFarlane, whose secret trip to Iran was initially exposed as part of political infighting among Tehran figures, warned that there were "pitfalls" in dealing with officials of Ayatollah Ruhollah Khomeini's regime and particularly the "authority of interlocutors to make decisions."

Officials said McFarlane had allowed White House officials to review his four-page statement, which he wrote.

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contributed to this report.*